

Categorical Programs

Categorical programs typically are governed by a unique set of statutes specifying the intent for the funding, the uses to which the funding is restricted, the application requirements, and the method for determining local educational agency (LEA) allocations. From 1992-93 through 1998-99, allocations for most categorical programs were included in the “mega-item,” a single budget appropriation covering over 30 categorical programs. The provisions of the mega-item directed the California Department of Education (CDE) in allocating the appropriation to each program. However, the 1999 Budget Act eliminates the mega-item. Instead, each allocation for a categorical program has been assigned to a separate budget item, as had been the practice prior to the 1992 Budget Act. Therefore, each program allocation is now controlled by the provisional language found in that budget item.

The categorical programs included in this section either are significant in the dollar amount of funding or have new and unique conditions governing their funding.

Growth and COLA Funding. When allowances for growth and COLA adjustments have been provided, the program’s budget item contains separate appropriations for those purposes. In most cases the growth factor used was 1.47 percent; the COLA factor was 1.41 percent. Because the budget items do not combine the growth and COLA appropriations, as was the case in the previous mega-items, a composite increase of 2.9 percent cannot be applied to the rates used in the allocation of categorical funding. The 1999-00 funding rate for a program will be adjusted by only 1.41 percent when a COLA appropriation is provided. Any growth appropriations will be reserved by the state to cover increased program participation. For additional details please refer to specific programs described in this section.

Funding Flexibility. Although a mega-item is not a feature of this year's Budget Act, funding flexibility has been provided at expanded levels for selected programs. (For the list of programs, see Section 12.40 (b) of the Budget Act or Appendix 2 of this report.) However, a new condition of the flexibility requires the LEA to report to CDE any amounts shifted between programs. The report must be submitted by October 15, 2000. CDE is required to provide this information to the Legislature and the Department of Finance by February 1, 2001.

For the programs listed in Section 12.40 (b) of the Budget Act, LEAs may transfer up to 20 percent of the state funds apportioned in 1999-00 for any program into any other listed program provided that the receiving program's state funding does not increase to a level exceeding 125 percent of the 1999-00 state apportionment for that program. Please note that these transfer limitations represent an increase from the previous year's 15 percent "out" and 20 percent "in." Please note also that the transfer provision may again be used to initiate, continue, or expand a Healthy Start Program (*Education Code* Section 8800) or to initiate a Conflict Resolution Program (*Education Code* Section 32260).

Block Grant Adjustment. Pursuant to Item 6110-231-0001 of the 1999 Budget Act, a \$67.8 million block grant will again be apportioned to LEAs. The funding may be expended on any program listed in Section 12.40 (b) of the Budget Act (see Appendix 2). The block grant will be apportioned as it was last year: \$67.8 million will be paid in a single apportionment to all school districts and county offices of education on the basis of an equal amount per unit of 1998-99 actual P-2 ADA (i.e., the second period report of attendance). Local educational agencies must distribute the allocation to one or more of the programs listed in Section 12.40 (b) of the Budget Act. There is no limit on the amount that can be allocated to a single program, and no deadline is imposed on the distribution of the block grant to those programs. The block grant funding may be spent in any fiscal

year provided that it is ultimately expended in a program listed in Section 12.40 (b) of the 1999 Budget Act. An estimated \$12.40 per ADA will be allocated as a block grant.

Supplemental Grants. After the adoption of Proposition 98 in 1988, the Legislature initiated a funding source to equalize categorical state aid over a three-year period. About \$180 million in funding first apportioned in the 1989-90 fiscal year was paid annually to school districts to supplement funding received pursuant to their revenue limit or to any of 27 categorical programs. The districts selected the programs to receive the “supplemental grant” funding. With the sunset of the supplemental grant legislation, the Legislature opted to continue the funding but allowed districts to redesignate the programs that would receive the supplemental grant. The goal was to make the supplemental grant an invisible, permanent part of each selected program’s funding. Subsequently, as circumstances changed, additional redesignations were allowed, and the “final, final window of opportunity” closed on October 1, 1995, as cited in *Education Code* Section 54761.2. Because of the unique funding formulas employed in the various categorical programs, supplemental grants have not been blended successfully into the locally designated categorical programs. Instead, the School Fiscal Services Division has had to apportion each grant separately.

For 1999-00, a single appropriation in the Budget Act funds all supplemental grant program designations. Pursuant to provisions of the budget item, the appropriation has been scheduled for allocation to programs by the State Superintendent of Public Instruction (see Appendix 3). For those programs previously contained in the mega-item, the appropriation for supplemental grants provides for a growth adjustment of 1.47 percent and a COLA of 1.41 percent. The increases for other supplemental grants vary (see Appendix 3). The LEA must ensure that the increase allowed for growth is allocated to cover increased program participation only.

Beginning Teacher Support and Assessment

Budget Act Item 6110-191-0001

Education Code sections 44279.1 through 44279.7

1999-00 Budget Provisions

- \$72 million is available for the Beginning Teacher Support and Assessment (BTSA) program, including \$51,344,000 for augmentation, \$328,000 for supplemental grants, and \$20,380,000 reappropriated from 1998-99. The augmentation includes a 2.88 percent increase for growth and COLA.
- The funding rate will be increased to \$3,200 per beginning teacher.

CDE Staff Comments

The BTSA program is designed to enhance the success and retention of beginning teachers. The total 1999-00 funding level is projected to be sufficient to serve 25,000 beginning teachers, about 80 percent of the target population.

Applications for BTSA planning grants of \$10,000 each were mailed in early September 1999 to all superintendents of school districts and county offices of education; college and university deans, directors, and chairs of teacher education programs; directors of currently funded BTSA programs; and other interested educators. Applicants may submit requests for funding at any time until December 1, 1999. Recipients of planning grants will write implementation plans from January through April and will begin serving beginning teachers in July 2000.

Grant-award notifications for ongoing programs will be sent following the Department of Finance's approval of the expenditure plan; allocations will be disbursed in spring 2000. Because there will also be two opportunities for existing programs to expand in 1999-00, districts can become part of BTSA by joining existing programs.

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telephone (916) 657-3592; e-mail *alcervan@cde.ca.gov*

Child Nutrition

Budget Act Item 6110-203-0001

Education Code sections 41352, 49501, 49536, 49550, and 49559

1999-00 Budget Provisions

- \$63 million in base funding for state child nutrition programs, including \$1.5 million for growth and COLA
- \$1.0 million to provide School Breakfast or Summer Food Service Program startup grants (This appropriation will fund an estimated 200 grants.)

CDE Staff Comments

This item will fund state child nutrition programs at the following rates for fiscal year 1999-00:

- \$0.1229 reimbursement rate for each free and reduced-price breakfast and lunch served
- \$0.6545 reimbursement rate for each full supplement served to pregnant and lactating minors
- \$0.3273 reimbursement rate for each partial supplement served to pregnant and lactating minors

The above rates of reimbursement are available to public schools that have successfully applied to participate in the State Child Nutrition Program. For more information regarding this application process, please contact the Nutrition Services Division at (916) 445-0850.

Any public school wishing to receive a School Breakfast or Summer Food Service Program startup grant should apply to the respective Nutrition Services Division program office. Applications may be obtained by contacting the Nutrition Services Division at (916) 445-0850.

Staff Contact: *Phyllis Savage*, Fiscal and Administrative Services
Division; telephone (916) 322-8326; e-mail psavage@cde.ca.gov

Class-Size Reduction, High School

Budget Act Item 6110-232-0001

Education Code sections 52080 through 52090

1999-00 Budget Provisions

- \$161 million is provided from the General Fund, an increase of \$80.8 million over last year's appropriation. This increase provides full funding for the program in its first full year of implementation and a COLA of \$1.8 million.
- The funding rate is increased from \$135 to \$165 per participating full-year-equivalent enrollment.
- The funding supports class-size reductions in one or two courses in grade nine. The first course must be a required English course; the other may be a mathematics, science, or social studies course that counts toward completion of graduation requirements. A district that participated in one subject in 1998-99 may expand its program to include a second subject in 1999-00.
- In each school grade nine classes in the subject area(s) chosen for reduction must be reduced to an average of 20 pupils per teacher. No single class may exceed 22 pupils per teacher. Pupils enrolled full-time in special education special day classes and pupils enrolled in schools that qualify as necessary small schools are excluded.
- School districts maintaining class-size reductions in grades 10-12 may receive up to \$165 per participating pupil, but the amount is not to exceed that received by the school district for the program in grades 10-12 during the 1997-98 fiscal year. Districts operating programs in grades 10-12 must certify that the goals for class-size reduction have been met districtwide.

CDE Staff Comments

Districts will receive the 1999-00 program applications in October 1999. The applications are due back to CDE in early November. Advance program payments, to be made in January 2000, will be based on implementation plans reported on the program application. Final apportionment adjustments reflecting actual annual participation data reported on the J-9 MH-A Report of Enrollment will be made after the close of the fiscal year.

Staff Contacts: *Ross Valentine*, School Fiscal Services Division; telephone (916) 327-4405; e-mail rvalenti@cde.ca.gov
Amanda Evans, School Fiscal Services Division; telephone (916) 323-1314; e-mail amevans@cde.ca.gov
Neil Yeager, Secondary Education Division; telephone (916) 657-3474; email nyeager@cde.ca.gov

Class-Size Reduction, K–3

Budget Act Item 6110-234-0001

Education Code sections 52120 through 52128.5

1999-00 Budget Provisions

- \$1.5 billion is provided from the General Fund.
- The funding rate is increased by a statutory COLA of 1.41 percent to \$844 per actual 1999-00 enrollment in classes reduced to 20 or fewer students per teacher for the full day (Option 1) and to \$422 per actual 1999-00 enrollment in classes reduced to 20 or fewer students per teacher for one-half of the instructional minutes offered each day (Option 2).
- Funding is provided for implementation of class-size reduction at all four grade levels, kindergarten through grade three.
- Classes not housed in a separate, self-contained classroom must contain not less than the average square footage per pupil offered at that grade level at that site in 1995-96.

- An audit of average daily enrollment is required, with loss of funding if the average class size is greater than 20.44.
- The authority that allowed unused operational funding to be redirected for facility purposes is discontinued.

CDE Staff Comments

Applications and information packages for 1999-00 were mailed in July. The due date for return of applications to CDE is October 1, 1999 (postmarked).

Staff Contacts: *Lynn Piccoli*, School Facilities Planning Division; telephone (916) 323-3926; e-mail lpiccoli@cde.ca.gov
Amanda Evans, School Fiscal Services Division; telephone (916) 324-4533; e-mail amevans@cde.ca.gov

College Preparation

ADVANCED PLACEMENT TESTS

Budget Act Item 6110-240-0001

Education Code sections 52240 through 52244

1999-00 Budget Provisions

- School districts are authorized to apply to the California Department of Education for funding to provide grants to economically disadvantaged pupils, as defined, to cover the costs of advanced placement examination fees.
- If the total school district applications exceed the total funds available for the program, the Department will prorate the grants on the basis of the ratio of the total amount requested to the total amount budgeted.
- \$2.5 million was appropriated for the program for 1999-00, of which \$1 million represents a one-time allocation.

Staff Contact: *Maria Reyes*, Academic Support Unit; telephone (916) 653-4308; e-mail mreyes@cde.ca.gov

COLLEGE ADMISSIONS TESTS

Budget Act Item 6110-240-0001

Education Code sections 60830 through 60830.9

1999-00 Budget Provisions

- \$13.5 million is provided from the General Fund to the College Preparation Partnership Program (CPPP) for fiscal year 1999-00. Of that total \$3.5 million is a one-time appropriation.
- The CPPP was established to award competitive 2:1 matching grants to school districts, consortia of school districts, or county offices on behalf of local public high schools. The intent is to provide high school students with preparation courses for college admissions examinations, which include the ACT, SAT I, and SAT II.
- The California Department of Education is required to administer the program through a competitive grant process, giving priority to school sites with low college-attendance rates, high numbers of low-income pupils, and demonstrated school-based efforts to improve the school-site college preparatory curriculum and college attendance rates.

CDE Staff Comments

In fiscal year 1998-99, \$10 million was available to this program. Funds have been awarded to 111 local educational agencies to implement the College Preparation Partnership Program in 483 public high schools in California.

The legislation establishes the program through January 1, 2005. The impact of the program at funded sites throughout a multiple-year period will be evaluated.

Staff Contact: *Bill Vasey*, Secondary Education Division; telephone (916) 654-5220; e-mail bvasey@cde.ca.gov

INTERNATIONAL BACCALAUREATE PROGRAMS

Budget Act Item 6110-240-0001

Education Code sections 52920 through 52922**1999-00 Budget Provisions**

- The State Superintendent of Public Instruction is required to allocate to school districts up to \$25,000 for each high school that offers an International Baccalaureate (IB) Diploma Program to cover the ongoing costs of professional development required by the program.
- The State Superintendent of Public Instruction is required to award start-up grants of up to \$15,000 to schools to start an IB Diploma Program.
- School districts that operate an IB Diploma Program are required to submit, by October 1 of each school year, the number of pupils enrolled in courses leading to an IB Diploma, the number of teachers attending IB training programs, the number of teachers participating in pre-IB support programs, and the amount of money spent to support the participating students and teachers.
- \$1.55 million is appropriated to support the program in 1999-00. Of that amount \$500,000 is a one-time allocation.

Staff Contact: Arleen Burns, Curriculum Leadership and Academic Support Unit; telephone (916) 657-5441; e-mail aburns@cde.ca.gov

Community-Based English Tutoring Program

Proposition 227

Education Code sections 315 and 316**1999-00 Budget Provisions**

- \$100 million is provided from the General Fund (\$50 million from 1997-98 that was not available until this fiscal year and

\$50 million for fiscal year 1999-00). The funds are allocated to LEAs for free or subsidized adult English-language instruction for parents and other community members who pledge to provide personal English-language tutoring to school-aged children who are English learners.

- The governing boards of LEAs must notify CDE of their intent to participate in the program. A letter to the field notifying LEAs of the 1999-00 "Intent to Participate in the Community-Based English Tutoring (CBET) Program" was mailed May 10, 1999. The final filing date was June 30, 1999. Funds were disbursed to the field in September 1999.
- Funds are allocated to participating LEAs according to the total number of English learners reported in the "Annual Language Census Survey" (R-30) of the previous year. Last year \$50 million was allocated to 456 school districts with a total of over 1.3 million English learners. The rate per pupil was \$37.93, but that rate should increase (on a one-time basis) with the addition of \$50 million from fiscal year 1997-98.

Staff Contacts: *Jorge Gaj*, Language Policy and Leadership Office; telephone (916) 657-3677; e-mail jgaj@cde.ca.gov for policy-related issues

Hilary Novak, Language Policy and Leadership Office; telephone (916) 657-5012; e-mail hnovak@cde.ca.gov for fiscal-related issues

Deferred Maintenance

Budget Act Item 6110-188-0001

Education Code sections 39619 through 39619.55

1999-00 Budget Provisions

- \$143.7 million is provided for funding applications received by the Office of Public School Construction, California Department of General Services.

CDE Staff Comments

Excess bond payments and unused site penalty fees are anticipated to total approximately \$22.3 million. The 1999 Budget Act appropriation, together with the excess bond payments, is estimated to fund about 90 percent of the state's maximum deferred maintenance match, assuming that 10 percent of available funds are held back for critical hardship apportionments. The state match is calculated by multiplying statewide average expenditures per pupil by the district's ADA and multiplying that product by 0.005.

Staff Contacts: *Richard Zeiszler*, School Fiscal Services Division; telephone (916) 324-4533; e-mail rzeiszle@cde.ca.gov
Keith Collier, Office of Public School Construction; telephone (916) 323-3443; e-mail kcollier@dgs.ca.gov

Desegregation Programs

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Budget Act Items 6110-114-0001 and 6110-115-0001

Education Code sections 42247 through 42249.4

1999-00 Budget Provisions

- \$643 million is provided to fund desegregation programs (\$505 million for court-ordered programs and \$138 million for voluntary programs).
- As a condition of receiving funding, each school district must submit to the Department of Education, by March 1, 2000, a summary of program outcome data over the preceding three years or since the inception of the program, whichever is less. The data in the summary must include the ethnic distribution of pupils at schools supported with desegregation funds and indicators of pupil success at those schools, including but not limited to SAT, STAR, Matrix, and English-Language Development test scores. In addition, high school graduation rates and dropout rates must be provided. Districts must also

indicate whether their programs were initiated voluntarily or were required by a consent decree. If the report is not received, the State Controller may not pay the claim.

- Appropriations in Section 73 of AB 1115, Chapter 78/99, for approved claims in 1994-95 and 1995-96 were vetoed by the Governor, as was an amount in Section 72 for an audited 1998-99 claim.

CDE Staff Comments

Appropriations for desegregation funding, by district, appear in items 6110-114-0001 and 6110-115-0001 of the Budget Act. The State Controller's Office will apportion funding for desegregation programs.

Staff Contacts: *Richard Zeiszler*, School Fiscal Services Division, California Department of Education; telephone (916) 324-4533; e-mail rzeiszle@cde.ca.gov
Neimand Quok, State Controller's Office; telephone (916) 323-0734

Digital High School

Budget Act Items 6110-184-001 and 6110-485 (g) and (k)
Education Code sections 52250 through 52257 and 52260 through 52265

1999-00 Budget Provisions:

- \$151.1 million for grants to Digital High Schools and a 1 percent allocation to the California Technology Assistance Project (CTAP) to provide assistance to LEAs implementing the Digital High School Program.
- An additional \$1 million to CTAP to provide assistance to LEAs implementing the Digital High School Program.

CDE Staff Comments:

This funding will provide for the following:

- Technology Installation Grants for the 356 high schools selected via a random drawing process to submit Digital High School applications this year. Those schools will receive \$300 per student or a minimum grant.
- \$45 per student Technology Support and Staff Training grants for schools selected as year-one digital high schools that certify completion of their Technology Installation Grant by February 1, 1999.
- Funding for the 11 California Technology Assistance Project (CTAP) regions to provide assistance to schools in planning and implementing their Digital High School projects.

For more information regarding this application process, please contact the Education Technology Office at (916) 323-5715.

Staff Contact: Gaye Smoot, Education Technology Office; telephone (916) 322-5216; e-mail gsmoot@cde.ca.gov

Economic Impact Aid

Budget Act Item 6110-128-0001

Education Code sections 54000 through 54041

1999-00 Budget Provisions

- \$394 million is provided from the General Fund, including \$5.5 million for a 1.41 percent COLA.
- \$18.6 million is available in Budget Act Item 6110-235-0001 for Supplemental Grants.
- The minimum rate per CalWORKs plus English-language learner (ELL) student will increase from \$148.33 to \$156.28.
- The minimum funding totals per district will be \$4,484 for districts with ten or fewer CalWORKs plus ELL pupils and \$6,729 for districts with more than ten CalWORKs plus ELL pupils.

CDE Staff Comments

Funding will be apportioned within the Special Purpose Apportionment in ten monthly installments beginning in September. Entitlements were printed in Part II of the 1999-00 Consolidated Application mailed in September.

Staff Contact: *Ross Valentine*, School Fiscal Services Division; telephone (916) 327-4405; e-mail *rvalenti@cde.ca.gov*

Educational Technology

Budget Act Item 6110-181-0001

Education Code sections 44730 through 447310 and 51871 through 51874

1999-00 Budget Provisions

- \$22.364 million is provided from the General Fund to support:
 1. The Education Technology Staff Development Program for grades 4–8
 2. The California Technology Assistance Project (CTAP) regions for providing technology assistance to LEAs
 3. The Statewide Education Technology Services authorized by the State Board of Education

CDE Staff Comments

The Education Technology Staff Development Program for grades 4–8 provides up to \$20 per student in each eligible school for staff development that integrates training in education technology with other ongoing staff development. To be eligible for funding, schools must have Internet access and a sufficient number of up-to-date computers in each classroom in grades 4–8.

Funding for the regional California Technology Assistance Project (CTAP) is awarded competitively. Regional leads were selected in 1998-99 and were awarded grants for three years.

Awards are subject to allocation of funding in the state budget and approval by the State Board of Education.

Funding for Statewide Education Technology Services is also awarded competitively. The first contracts for services will be submitted to the State Board of Education for approval in October 1999. The contracts are expected to be multiple-year awards.

Staff Contact: Karen Steentofte, Education Technology Office; telephone (916) 323-5110; e-mail ksteento@cde.ca.gov

Home-to-School Transportation

Budget Act Item 6110-111-0001

Education Code sections 41850 through 41854 and 39800 through 39860

1999-00 Budget Provisions

- \$456 million is provided from the General Fund, including \$6.6 million for growth (1.47 percent) and \$6.3 million for a COLA (1.41 percent).
- Base allocations for the transportation of severely handicapped / orthopedically handicapped (SH/OH) students will amount to approximately \$168 million of the total appropriation.
- Base allocations for home-to-school transportation will amount to approximately \$288 million of the total appropriation.
- An additional \$78.4 million has been reserved in Budget Act Item 6110-235-0001 for supplemental grants directed to the home-to-school transportation program.

CDE Staff Comments

The Advance Apportionment for pupil transportation was made in September 1999, to be followed by monthly payments through June 2000. For purposes of calculating the September advance, the current-year appropriations were distributed

proportionately to the receipt of prior-year allowances. Special education transportation will again receive growth and COLA adjustments in 1999-00. Because the SB 120 equalization formula became inoperative as of June 30, 1999, home-to-school transportation will also receive a growth and COLA adjustment in 1999-00.

In April, following the processing of the 1998-99 Transportation Expenditure Report, which is due on November 1, 1999, the Advance Apportionment will be recertified to reflect actual 1998-99 costs.

Staff Contact: Leslie McCage, School Fiscal Services Division; telephone (916) 324-4537; e-mail lmccage@cde.ca.gov

Instructional Materials, K-12

Budget Act Items 6110-185-0001 and 6110-186-0001

Education Code sections 60240 through 60313

1999-00 Budget Provisions

- \$158 million is provided for the State Instructional Materials Fund (a 3.1 percent increase). Of that total the K-8 portion is \$125.9 million, and the 9-12 portion is \$32.1 million. A growth increase of 2.49 percent and a COLA increase of 1.41 percent are provided for each portion. However, because the K-8 ADA showed an overall decline, the K-8 growth funding will not be allocated.
- An additional \$11.3 million has been reserved in Budget Act Item 6110-235-0001 for Supplemental Grants directed to the K-8 program and \$8.3 million for the 9-12 program.
- The K-8 funding rate will increase to \$30.86 per the K-8 1998-99 second-period average daily attendance. The 9-12 funding rate will increase to \$19.39 per the 9-12 1998-99 CBEDS enrollment.

CDE Staff Comments

The K–8 and 9–12 Instructional Materials funds were apportioned in September 1999. These apportionments, one for each grade-level grouping, were made in a single lump-sum payment.

Staff Contacts: *Ging Tucker*, School Fiscal Services Division; telephone (916) 324-4536; e-mail gtucker@cde.ca.gov

Cathy Barkett, Curriculum Frameworks and Instructional Resources; telephone (916) 657-3711; e-mail cbarkett@cde.ca.gov

Instructional Materials, Standards-Based

Budget Act Item: None—Statutory Appropriation

Education Code sections 60450 through 60452.5

1999-00 Budget Provisions

- \$250 million is provided from the General Fund for the second year of a four-year \$1 billion program. These funds are to be used for the purchase of standards-based instructional materials in the core curriculum areas of language arts, mathematics, history–social science, and science.
- Materials for grades K–8 must have been adopted by the State Board of Education and must be aligned with the state content standards.
- Materials for grades 9–12 must be aligned with the state content standards and must be adopted by the school district governing board.
- The rate per pupil according to the October 1998 CBEDS enrollment data is approximately \$42.81.

CDE Staff Comments

Funds will be apportioned in a lump-sum payment in October 1999.

Staff Contacts: *Ging Tucker*, School Fiscal Services Division; telephone (916) 324-4536; e-mail gtucker@cde.ca.gov

Sandi Adams, Elementary Division; telephone (916) 657-3207; e-mail sadams@cde.ca.gov

Miller-Unruh Basic Reading Program

Budget Act Item 6110-126-0001

Education Code sections 52859 and 54100 through 54145

1999-00 Budget Provisions

- \$26.3 million is provided from the General Fund, including \$0.4 million for growth (1.47 percent) and \$0.4 million for a COLA (1.41 percent).
- An additional \$6.5 million has been reserved in Budget Act Item 6110-235-0001 for Supplemental Grants directed to the Miller-Unruh Reading program.
- The rate per full-time reading specialist teacher will increase to \$24,491, and the number of state-funded reading specialist positions will increase to 1,074.

CDE Staff Comments

Local educational agencies must apply for Miller-Unruh Reading Specialist positions. Applications should be submitted to Gloria Guzman-Walker in the Elementary Academic Support Unit; telephone (916) 657-3034; e-mail gwalker@cde.ca.gov. The School Fiscal Services Division will apportion 75 percent of the allocation per specialist in November 1999.

Staff Contact: *Ging Tucker*, School Fiscal Services Division; telephone (916) 324-4536; e-mail gtucker@cde.ca.gov

Professional Development (SB 1882)

Budget Act Item 6110-193-0001 (b)

Education Code sections 44670.1 through 44671.5

1999-00 Budget Provisions

- \$15.7 million is available for School Development Plans from the \$19.6 million appropriated, including \$0.2 million for a COLA (a 1.41 percent increase).

- The funding rate will increase to \$12.80 per ADA in grades 9–12.
- The minimum allocation per district will increase to \$4,356.

CDE Staff Comments

Seventy-five percent of each entitlement will be apportioned in December 1999. The final allocations will be apportioned in spring 2000. Entitlements were printed in Part II of the 1999-00 Consolidated Application mailed to local educational agencies in September.

Staff Contact: *Ross Valentine*, School Fiscal Services Division; telephone (916) 327-4405; e-mail rvalenti@cde.ca.gov

School Improvement Program (SIP)

Budget Act Item 6110-116-0001

Education Code sections 52000 through 52049.1

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1999-00 Budget Provisions:

- \$323 million is provided from the General Fund for kindergarten and grades 1–6, including \$4.6 million for growth (1.47 percent) and \$4.5 million for a COLA (1.41 percent).
- \$63 million is provided from the General Fund for grades 7–12, including \$0.9 million for growth (1.47 percent) and \$0.9 million for a COLA (1.41 percent).
- The K–6 ceiling rate (i.e., the funding rate above which districts do not receive additional COLA or expansion funds) will increase to approximately \$118.94.
- K–6 entitlements for districts under the ceiling rate will increase by a minimum of 1.41 percent.
- The estimated funding rates per ADA for grades 7–8 will be approximately \$112.69 for fully funded districts and \$31.71 for later program entrants. For grades 9–12 the per ADA rate will be approximately \$81.30.

- An additional \$20.2 million is provided for the School Improvement Program to fund Supplemental Grant Allocations as previously elected by school districts.

CDE Staff Comments

School Improvement Program entitlements were printed on Part II of the Consolidated Application mailed in September 1999. Funding will be apportioned within the Special Purpose Apportionment in ten monthly installments beginning in September.

Staff Contact: *Julie Brucklacher*, School Fiscal Services Division; telephone (916) 327-4406; e-mail jbruckla@cde.ca.gov

School Library Materials

Budget Act Item 6110-149-0001

Education Code sections 18180 through 18184

1999-00 Budget Provisions

- \$158.5 million from the General Fund was provided for the acquisition of school library materials. The State Controller's Office will transfer this appropriation to the California Public School Library Protection Fund.
- To be eligible for this funding, school districts, county offices, and charter schools must develop a districtwide school library plan, and the local governing boards must certify approval of the plan. A recertification of the school library plan is required for those school districts and county offices that are continuing their participation from the 1998-99 fiscal year.
- Funds may be expended for library resources, including books, periodicals, microforms, audiovisual materials, computer software, CD-ROMs, on-line resources, and equipment necessary to provide access to school library resources within the school library. Materials purchased with these

funds must be circulated from, or used in, the school library media center. Indirect costs may be charged to the program. Carryover of funds is allowed.

- The funding rate per ADA is approximately \$28.86, based on the 1998-99 second-period average daily attendance (1998-99 P-2 ADA).

CDE Staff Comments

Funds will be apportioned in February 2000. The Curriculum Frameworks and Instructional Resources (CFIR) Office is preparing an application information packet.

Staff Contacts: *Barbara Jeffus*, CFIR Office; telephone (916) 654-6161; e-mail bjeffus@cde.ca.gov
Julie Brucklacher, School Fiscal Services Division; telephone (916) 327-4406; e-mail jbruckla@cde.ca.gov
Ging Tucker, School Fiscal Services Division; telephone (916) 324-4536; e-mail gtucker@cde.ca.gov

Small School District Bus Replacement Program

Budget Act Item 6110-111-0001

Education Code sections 42290 through 42293 and 42301.1 through 42303

1999-00 Budget Provisions

- \$4 million is provided from the General Fund, including \$57,000 for growth (1.47 percent) and \$56,000 for a COLA (1.41 percent).

CDE Staff Comments

Funds were awarded according to the rankings assigned in January 1999 to the bus replacement applications submitted in September 1998. The most recent contract prices for school buses prepared by the California Department of General Services determined the amount of the award.

Staff Contact: *Leslie McCage*, School Fiscal Services Division;
telephone (916) 324-4537; e-mail *lmccage@cde.ca.gov*

Staff Development Buyout

Budget Act Item 6110-112-0001

Education Code sections 44579 through 44579.4.

1999-00 Budget Provisions

- \$225 million is provided, an increase of \$30.1 million over the prior year. The increase includes \$3.3 million for a COLA (1.41 percent).
- The funding rate per day for up to three days of staff development will increase to \$273.81 for each certificated classroom teacher. The funding rate for one day of staff development for each classified instructional aide and each certificated teaching assistant will increase to \$141.97.

CDE Staff Comments

A 25 percent advance apportionment for continuing districts will be made in October. A second apportionment for 50 percent of the district's allocation will be made in February 2000. An apportionment for the final 25 percent will be made in August 2000 after each participating district submits a final statement of activities.

Staff Contact: *Ross Valentine*, School Fiscal Services Division;
telephone (916) 327-4405; e-mail *rvalenti@cde.ca.gov*

Tenth-Grade Counseling

Budget Act Item 6110-108-0001

Education Code sections 48431.6 and 48431.7

1999-00 Budget Provisions

- \$9.7 million is provided from the General Fund, including \$0.1 million for a COLA (a 1.41 percent increase) and \$0.1 million for growth (a 1.47 percent increase).

- An additional \$5.3 million has been reserved in Budget Act Item 6110-235-0001 for Supplemental Grants directed to this program.
- The funding rate per the CBEDS October 1998 grade ten enrollment will increase to approximately \$23.11.

CDE Staff Comments

A single allocation to all school districts based on the number of students enrolled in grade ten as of October 1998 will be made in April 2000.

Staff Contacts: *Ging Tucker*, School Fiscal Services Division; telephone (916) 324-4536; e-mail gtucker@cde.ca.gov
Arleen Burns, Secondary Education Division; telephone (916) 657-5441; e-mail aburns@cde.ca.gov

Year-Round-School Incentives

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Budget Act Item 6110-224-0001

Education Code sections 42260 through 42268

1999-00 Budget Provisions

- \$72.6 million is provided for operational grants, including a 1.41 percent COLA.
- \$1.3 million is provided for implementation grants.
- Applications for grants are received annually. If claim requests exceed funds available, payments may be prorated.

CDE Staff Comments

Application and information packages for 1999-00 were mailed in June. An addendum was mailed in August. Because of changes in the law and State Allocation Board policy, the due date for return of applications to CDE was extended from August 31 to September 30, 1999 (postmarked).

The State Allocation Board adjusted the lease-purchase program costs avoided per pupil to \$1,263 in November 1998. This increase was implemented for the 1999-00 grant year.

Staff Contact: *Leroy Small*, School Facilities Planning Division; telephone (916) 445-5666; e-mail *smalls@foothill.net*

Special Education Programs

AGES 3–21 SPECIAL EDUCATION FUNDING

Budget Act Item 6110-161-0001

Education Code sections 56000 and 42238.1

1999-00 Budget Provisions

- \$2.2 billion is provided from the General Fund for Special Education Programs for Individuals with Exceptional Needs (a 9.7 percent increase). The major programs are detailed as follows:
 - \$2 billion is for special education instruction for students ages three to twenty-one.
 - \$35.1 million is for 1999-00 growth in programs serving students ages three to twenty-one.
 - \$108 million is for Nonpublic School/Licensed Children's Institutions (NPS/LCI).
 - \$1 million is for Nonpublic School (NPS) Extraordinary Costs.
 - \$67.2 million is for Program Specialist/Regionalized Services.
 - \$38.4 million is provided to fund a COLA for programs serving students ages three totwenty-one.

CDE Staff Comments

Under the new special education funding model enacted in Assembly Bill 602 (Chapter 854/97), state aid is apportioned to local educational agencies (LEAs) on the basis of their total number of pupils in average daily attendance (ADA); the per-ADA funding rates are recomputed annually. This new funding

model is based on the assumption that, over reasonably large geographic areas, the incidence of disabilities is relatively uniformly distributed. The model also provides funding adjustments to compensate for those areas in which there are concentrations of individuals with high-cost, low-incidence disabilities.

In 1999-00, funding for special education may be apportioned directly to a local educational agency or to the Administrative Unit (AU) of the Special Education Local Plan Area (SELPA) with which it is affiliated. Entitlements will be established by the SELPA's base funding rate (as determined by prior-year expenditures) multiplied by the K-12 ADA for each school district and county office of education in the SELPA. Funding will be adjusted for changes in enrollment, incidence of special disabilities, and equalization aid. The entitlement will be certified to the Controller at the First Principal Apportionment (P-1) by February 20, 2000.

Growth. The special education growth calculation is based on the difference between the prior-year ADA and the current-year ADA. Fiscal year 1999-2000 is the first year in which an adjustment will be made for declining enrollment.

Nonpublic School/Licensed Children's Institution.

Nonpublic School/Licensed Children's Institution (NPS/LCI) funding is capped at \$108 million for 1999-00. In November 1999, the School Fiscal Services Division (SFSD) will mail data collection software to SELPA AUs to claim NPS/LCI funding.

Nonpublic School Extraordinary Cost Pool. One million dollars has been set aside to defray the extraordinarily high costs associated with single nonpublic school placements. A nonpublic school is eligible for this funding if a single nonpublic school contract is 2.5 times greater than the statewide average nonpublic school contract amount plus COLA. The SFSD will establish this statewide average contract cost by dividing the 1998-99 statewide dollar amount of nonpublic school placement contracts plus COLA by the ADA associated with those con-

tracts. The threshold amount will appear on the SFSD's Internet web site in November 1999. Claims for this reimbursement must be submitted by November 30, 2000, after the close of the 1999-00 fiscal year. If the total amount of eligible claims to the Extraordinary Cost Pool exceeds the \$1 million appropriation, SELPA funding will be prorated accordingly.

Program Specialist/Regionalized Services. Program Specialist/Regionalized Services (PS/RS) entitlements will be paid through the First Principal Apportionment in February 2000. The 1999-00 rate is developed by applying the COLA for 1999-00 to the rate calculated in 1998-99. Each SELPA will receive the 1999-00 PS/RS rate multiplied by its total K-12 ADA. Of the \$67.2 million available, \$2.1 million is reserved for necessary small SELPAs. (In most cases, if a SELPA has 15,000 or fewer total ADA, it qualifies as a necessary small SELPA.) The calculation for PS/RS for schools falling in that category will use 15,000 as the ADA number to multiply times the 1999-00 PS/RS rate.

Cost-of-Living Adjustment. The 1999 Budget Act provides \$38.4 million for COLAs for the following special education programs: Growth, Low Incidence, Vocational Training and Job Placement, Regional Occupational Centers and Programs (ROC/Ps) for pupils with disabilities, Program Specialist/Regionalized Services (PS/RS), and Nonpublic Schools/Licensed Children's Institutions (NPS/LCI). The COLA is allocated on the basis of a fixed dollar amount. SELPAs will have their special education ADA rates increased by an amount equal to 1.41 percent of the statewide target funding rate per ADA.

Staff Contact: *Judy Johnson*, School Fiscal Services Division;
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EQUALIZATION AND SPECIAL DISABILITIES ADJUSTMENT

Budget Act Item 6110-161-0001

Education Code sections 56836.12 through 56836.14 and 56836.155

1999-00 Budget Provisions

- \$34.6 million is provided from the General Fund to equalize special education unit rates.
- \$23 million is provided to fund the Special Disabilities Adjustment.

CDE Staff Comments

The 1999 Budget Act provides \$34.6 million in additional state aid to equalize funding rates among school districts and county offices of education for 1999-00. An additional \$23 million is available to increase the funding for SELPAs with special education costs that are above average on a per-pupil basis. Senate Bill 1564 (Chapter 330/98), the 1998-99 omnibus education trailer bill, required the development of a special disabilities incidence factor. Pursuant to this requirement, the California Department of Education, in conjunction with the Legislative Analyst's Office, calculated an "incidence multiplier" for each SELPA. This incidence multiplier was developed in accordance with the definition, methodology, and data provided in the final report submitted by the American Institutes for Research, as required in Chapter 854/97. This multiplier, which was validated and approved by the Department of Finance, was initiated in 1998-99 and will continue through the 2002-03 fiscal year.

Staff Contact: Judy Johnson, School Fiscal Services Division;
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LOW-INCIDENCE FUNDING

Budget Act Item 6110-161-0001

Education Code Section 56026.5

1999-00 Budget Provisions

- \$9.3 million is provided from the General Fund (a 4 percent increase) for specialized books, materials, and equipment for pupils with a severe disabling condition (i.e., for which the incidence rate is less than 1 percent of the total statewide K–12 enrollment).

CDE Staff Comments

The appropriation is based on the December 1998 low-incidence pupil count of 28,618 students. This figure yields a 1999-00 funding rate of \$325.98 per pupil.

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telephone (916) 323-5185; e-mail jjohnson@cde.ca.gov

VOCATIONAL TRAINING AND JOB PLACEMENT

Budget Act Item 6110-161-0001

Education Code sections 56470 through 56474

1999-00 Budget Provisions

- \$7.2 million is provided from the General Fund for Vocational Training and Job Placement (WorkAbility I and Transition Services).

CDE Staff Comments

This program currently funds 35,000 students at 199 sites. Funds are allocated to WorkAbility I sites through formula-driven grants that coordinate student access to vocational education and transition services. The competitively awarded grants are used to fund the excess cost of the program, complementing other mandated programs, such as the vocational education Job Training Partnership Act. Allocations are determined by the

number of secondary school special education students placed in paid employment positions, an equal base amount per program, and an additional \$50 for each student with a severe disability.

Staff Contact: Bob Snowden, Special Education Division; telephone (916) 327-4221; e-mail bsnowden@cde.ca.gov

AGES 0–2 SPECIAL EDUCATION INFANT FUNDING

Budget Act Item 6110-161-0001

Education Code sections 56425 through 56432

1999-00 Budget Provisions

- \$47.6 million is provided from the General Fund for Infant Programs for children from birth through two years of age.
 - \$46 million is for Instructional Personnel Service Units (IPSUs) for infants from birth through two years of age.
 - \$718,000 is for 1999-00 growth in programs serving infants from birth through two years of age.
 - \$851,000 is provided to fund a COLA for infant programs.

CDE Staff Comments

The Infant Programs for children from birth through two years of age will continue to use instructional unit rates as their basis for entitlements. The Infant J-50 reporting software will be mailed to LEAs in November 1999 and is due back to CDE by early January 2000. Entitlements for current-year operations will be certified at the First Principal Apportionment (P-1) by February 20, 2000.

Growth. The SFSD mailed the Growth forms advising SELPAs of the additional infant units they will receive for 1999-00 in early October 1999.

Small or Sparse SELPAs. Small or sparse SELPAs (*Education Code* Section 56432(g)) will continue to be eligible for infant growth units. Small or sparse SELPAs that have been notified

that they have infant units for 1999-00 identified for recapture, and that wish to retain those units, must file a waiver request with the Special Education Division by October 1999. A SELPA may apply for a waiver if any of the standards or criteria for growth would prevent it from receiving a unit and, as a result, either would prevent the SELPA from complying with the federal mandate of providing a free and appropriate education or would create a hardship for the SELPA.

Cost-of-Living Adjustment. The cost-of-living adjustment (COLA) for Special Education Programs for individuals with exceptional needs will continue to be allocated on a fixed dollar amount basis. The Budget Act provides funding for LEAs to have their infant rates increased by an amount equal to 1.41 percent of the statewide target rate.

Staff Contact: *Judy Johnson*, School Fiscal Services Division; telephone (916) 323-5185; e-mail jjohnson@cde.ca.gov

1998-99 DEFICIENCY APPROPRIATION

Budget Act Item 6110-485(f)

The 1999 Budget Act provides \$75.6 million to cover deficiencies in the 1998-99 funding of special education programs. The \$75.6 million was certified to the State Controller's Office on July 23, 1999, for payment to SELPAs by means of a special apportionment.

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School Safety Programs

AFTER-SCHOOL LEARNING AND SAFE NEIGHBORHOODS PARTNERSHIPS

Budget Act Item 6110-106-0001

Education Code sections 8482 through 8484

1999-00 Budget Provisions

- \$85 million from the General Fund is provided to school and community partnerships to develop local after-school education and enrichment programs. Of that amount, \$50 million is continuation funding for current grantees, and \$35 million is available for new grants.
- These programs provide educational support and safe, constructive alternatives for students in kindergarten through grade nine.
- Applicants may include (1) local educational agencies (LEAs); or (2) cities, counties, or nonprofit organizations in partnership with, and with the approval of, an LEA or LEAs.
- The three-year grants require annual renewal, which will be contingent on fiscal and program information provided by the grantees. A local match (cash or in-kind) from the school district, governmental agencies, community organizations, or the private sector is required in an amount equal to 50 percent of the state grant amount. Grants will be calculated on the basis of an allocation of \$5 per day per pupil, with the maximum grant for one school year totaling \$75,000 for elementary schools and \$100,000 for middle schools or junior high schools. Elementary schools with enrollments over 600 students and middle schools with enrollments over 900 students are eligible for some additional funding.
- Schools will be eligible to receive a supplemental grant to operate the program during any combination of the summer, intersession, or vacation periods.

- Priority for funding programs will be given to elementary, middle, and junior high schools in which a minimum of 50 percent of the pupils are eligible for free or reduced-price meals. Applications must be approved by the school district and the principal of each school site to ensure full integration with the academic program of the schools.

CDE Staff Comments

Questions about this new initiative should be directed to the Healthy Start and After-School Partnerships Office in the Learning Support and Partnerships Division. A Request for Applications (RFA) for the \$35 million in program expansion funds will be issued by November 1999.

Staff Contacts: *Marjorie McConnell*, Healthy Start and After-School Partnerships Office; telephone (916) 657-3558; e-mail mmcconne@cde.ca.gov

CONFLICT RESOLUTION

Budget Act Item 6110-226-0001 (b)

Education Code Section 32271

1999-00 Budget Provisions

- \$280,000 is provided from the General Fund. That amount is unchanged from the prior year.

CDE Staff Comments

Funding for this program is provided to school districts through a grant application. Up to 35 districts will be eligible to receive funding for programs operating in 1999-00. Applications will be available from the Safe Schools and Violence Prevention Office in February 2000. The grant program will provide \$8,000 per school district (\$16,000 to school districts with enrollments of 25,000 or more) to enable school teams to attend a two-day training session and a one-day follow-up session in conflict resolution and youth mediation.

Staff Contacts: *Bonnie Williamson*, Safe Schools and Violence Prevention Office, California Department of Education; telephone (916) 324-6159; e-mail bwilliam@cde.ca.gov
Steve Jefferies, California Department of Justice; telephone (916) 322-2781

GANG RISK INTERVENTION PROGRAM (GRIP)

Budget Act Item 6110-109-0001

Education Code sections 58730 through 58736

1999-00 Budget Provisions

- \$3 million is provided from the General Fund. That amount is unchanged from the prior year.
- GRIP programs are required to include counseling, sports and cultural activities, job training and information, positive interaction with law enforcement, and teacher in-service training. The program must also provide a full-time, paid, community-based coordinator who is familiar with local gang structures.

CDE Staff Comments

Funding for this program is allocated to county offices of education through a grant application process. Currently, 14 counties receive support for programs operating in 1999-00. Applications for funds to operate programs in 2000-2001 will be available in December 1999.

Staff Contact: *Chuck Nichols*, Safe Schools and Violence Prevention Office; telephone (916) 323-1026; e-mail cnichols@cde.ca.gov

HIGH-RISK YOUTH EDUCATION AND PUBLIC SAFETY

Budget Act Item 6110-212-0001

Education Code sections 47760 through 47773

1999-00 Budget Provisions

- \$20 million is provided from the General Fund. That amount is unchanged from the prior year.

- The High-Risk Youth Education and Public Safety Program provides early intervention services and recognizes the unique needs of high-risk youths through two distinct programs. The High-Risk First-Time Offenders Program provides education, probation, and social services for first-time offenders, 15 years of age or younger, who meet specified criteria. The Transitioning High-Risk Youth Program targets youths who have been committed to a detention facility and have a high risk of reoffending. Both programs require a structured individualized daily program of at least eight hours or up to 12 hours that includes a minimum of four hours of academic instruction during every school day.

CDE Staff Comments

Funding for this program is allocated to county offices of education and school districts through a grant application process. Currently, 26 programs are designated for funding in 1999-00. Grant funding is for five years, but no new applications are being accepted at this time.

Staff Contacts: *Daphne Kelley*, School Fiscal Services Division; telephone (916) 324-6178; e-mail dakelley@cde.ca.gov
Linda Davis-Alldritt, Safe School and Violence Prevention Office; telephone (916) 327-5930; e-mail ldavisal@cde.ca.gov

PARTNERSHIP MINI-GRANTS/SAFE SCHOOL PLANNING

Budget Act Item 6110-226-0001 (a)

Education Code Section 35294.5

1999-00 Budget Provisions

- \$628,000 is provided from the General Fund. That amount is unchanged from the prior year.
- Selected county offices of education provide the training to school district staff on a regional basis. The training is designed to help local educators and their law enforcement counterparts develop comprehensive safe schools plans.

CDE Staff Comments

Funding for the safe school implementation grant program is provided to school districts through competitive grants. Currently, 94 schools receive funding for implementing a portion of their existing comprehensive safe schools plan. Applications for funds to operate programs in 1999-00 will be mailed to local educational agencies in October 1999.

Staff Contacts: *David Ryan*, Safe Schools and Violence Prevention Office, California Department of Education; telephone (916) 323-1024; e-mail dryan@cde.ca.gov
Steve Jefferies, California Department of Justice; telephone (916) 322-2781

SCHOOL COMMUNITY POLICING

Budget Act Item 6110-226-0001 (d)

Education Code Section 32296 et seq.

1999-00 Budget Provisions

- \$10 million is provided from the General Fund; this amount is unchanged from that of the previous year.

CDE Staff Comments

The School Community Policing Partnership Act (AB 1756, Chapter 317/98) established a competitive grant program to provide funds to local educational agencies that work with a law enforcement partner to implement or expand a school community policing approach to school crime and safety issues. The program provides grants of up to \$300,000 spread across three years, with additional start-up funds of as much as \$25,000. LEAs and consortia may apply for separate grants for different sites. Approximately 30 three-year grants will be awarded each year, depending upon the budgets of the successful applicants. The applications will be available in November.

Staff Contacts: *Chuck Nichols*, Safe Schools and Violence Prevention Office; telephone (916) 323-1026, e-mail cnichols@cde.ca.gov

Steve Jefferies, California Department of Justice; telephone (916) 322-2781

SCHOOL COMMUNITY VIOLENCE PREVENTION

Budget Act Item 6110-226-0001 (c)

Education Code Section 32271

1999-00 Budget Provisions

- \$700,000 is provided from the General Fund. That amount is unchanged from the prior year.

CDE Staff Comments

Currently, 17 school districts receive funding for this program, which operates on a four-year grant cycle. These 17 districts, selected between 1995-96 and 1997-98, will continue to receive funding in 1999-00. No new grant competitions will be held in 1999-00 for this funding. The program is intended to develop collaborative strategies to reduce violence in the school community.

Staff Contacts: *Bonnie Williamson*, Safe Schools and Violence Prevention Office, California Department of Education; telephone (916) 323-1024; e-mail bwilliam@cde.ca.gov

Olin Jones, California Department of Justice; telephone (916) 324-7863

Child Care and Development Programs

GENERAL PROGRAMS

Budget Act Items 6110-196-0001 and 6110-196-0890

Education Code Chapter 2, Section 8200 *et seq.*

1999-00 Budget Provisions

- Base funding of \$1.25 billion is provided (\$794 million from the General Fund and \$455 million in federal funds).
- \$13.5 million is provided for a COLA of approximately 1.41 percent.

- \$10 million is provided to annualize expansion funding that was provided for one-half year in 1998-99.

CDE Staff Comments

The department will distribute the COLA to child care and development program providers. This distribution will be accomplished as a contract amendment to be sent to contracting agencies. Payment should be expected within four to five weeks from the time the amended contract is received by the department's Contracts Office.

Staff Contact: *Jim Stefani*, Fiscal and Administrative Services Division; telephone (916) 324-4552; e-mail jstefani@cde.ca.gov

STATE PRESCHOOL PROGRAMS

Budget Act Item 6110-196-0001

Education Code Chapter 2, Section 8200 et seq.

1999-00 Budget Provisions

- A \$23 million increase provides for expansion of the half-day preschool program beginning January 1, 2000.
- \$15.7 million is provided to annualize expansion funding that was provided for one-half year in 1998-99.
- A \$17.5 million increase provides for expansion of non-CalWORKS funding for the Alternative Payment program.

CDE Staff Comments

The \$23 million in preschool expansion funds will be distributed through a Request for Application (RFA) process that is currently in development; funding will be available beginning January 1, 2000. The RFAs are widely distributed by the Child Development Division (CDD); however, interested parties may also contact CDD at (916) 322-6233 for information on how to apply for funds.

CDD is currently developing the process that will be used for distributing the \$17.5 million Alternative Payment (voucher) program expansion funds.

Staff Contacts: *Jim Stefani*, Fiscal and Administrative Services Division; telephone (916) 324-4552; e-mail jstefani@cde.ca.gov
Terry Miller, Child Development Division; telephone (916) 323-1306; e-mail temiller@cde.ca.gov

CALWORKS EXPANSION

Budget Act Item 6110-196-0001 and 6110-196-0890

Education Code Chapter 2, Section 8200 et seq.

1999-00 Budget Provisions

- \$157 million in federal fund expansion for Alternative Payment programs provides additional funds for Stage 2.
- \$17.5 million in state General Fund and federal fund expansion provides additional funds for Stage 3. These funds are reserved exclusively for child care for former CalWORKs recipients who no longer receive cash aid but still meet eligibility requirements for receipt of child care services.
- \$50 million was vetoed by the Governor from CalWORKs Stage 3 funding. These funds have been set aside for possible restoration upon enactment of separate legislation.
- \$10 million in federal fund legislative augmentation was also vetoed. These quality-enhancement funds were to initiate a new program of direct state contributions for child care worker compensation.

CDE Staff Comments

While the Governor's veto message leaves open the possible restoration of the \$50 million in General Fund Stage 3 funding, CDE has nevertheless taken steps to ensure that needed child care will not be terminated for families who would have been served with these funds.

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